

AMENDED IN ASSEMBLY APRIL 28, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 43

Introduced by Assembly Members Daucher and Cohn

December 2, 2002

An act to amend Sections 14139.05, 14139.1, 14139.11, 14139.12, 14139.13, 14139.2, 14139.21, *14139.22*, 14139.24, 14139.25, 14139.3, 14139.31, 14139.33, 14139.34, *14139.38*, 14139.4, 14139.41, 14139.43, 14139.44, 14139.5, 14139.53, 14139.6, and 14139.62 of, to amend the heading of Article 4.3 (commencing with Section 14139.05) of Chapter 7 of Part 3 of Division 9 of, to repeal ~~Sections 14139.22, 14139.23, 7 of Part 3 of Division 9 of, to add Section 14139.30 to, to add Article 4.31 (commencing with Section 14139.80) to Chapter 7 of Part 3 of Division 9 of, to repeal Sections 14139.23, 14139.35, 14139.36, 14139.38, and 14139.51 of, and to repeal and add Sections 14139.32, 14139.37, and 14139.42 of, the Welfare and Institutions Code, relating to long-term care.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 43, as amended, Daucher. Long-Term Care Integration (LTCI) program: establishment.

The Long-Term Care Integration Pilot Program requires the State Department of Health Services to administer a pilot program that will integrate the financing and administration of long-term care services in up to 5 pilot project sites around the state. Existing law establishes specified goals for the pilot program.

This bill would rename the program as the Long-Term Care Integration (LTCI) program, and establish the LTCI program as an

ongoing program. This bill would also revise the goals of the program to include, among other things, specified medical services, and to require the department to coordinate the delivery of medical services, preferably through the integration of Medicare and Medi-Cal funding streams.

~~Existing law requires the department to convene a working group, composed of specified entities or stakeholders, and requires the department to consult with the working group, as specified.~~

~~This bill would repeal that provision.~~

Existing law requires interagency agreements, as specified, between participating departments, which agreements are required to specify various responsibilities for administering the pilot program.

This bill would repeal that provision.

Existing law requires that costs to the General Fund not exceed the amount that would have been expended in the absence of the pilot program.

This bill would provide, instead, that net costs to the Medi-Cal program shall not exceed the amount that would have been expended in the absence of the LTCI program.

Existing law establishes requirements regarding pilot project sites, which may be comprised of a single county, a multicounty unit, or a subcounty unit, and requires each selected site to develop and provide to the department an administrative action plan, to include specified elements.

This bill would revise those site requirements and apply the requirements instead to LTCI program sites, ~~would provide that LTCI program sites may be public entities or private agencies,~~ and would revise the elements required of the administrative action plan. *The bill would also require that LTCI programs be public agencies or public entities and that the administrative action plan receive the approval of the board of supervisors before its is submitted to the department.*

This bill ~~also~~ would ~~require~~ *authorize* LTCI program sites either to voluntarily enroll eligible beneficiaries in a defined service area and accept capitation based on a ~~per patient per date~~ *per-member-per-month* rate or to serve all eligible beneficiaries in a defined service area and pool funds, as specified. *The bill would also authorize a consolidated long-term services fund to include funds from other programs or services that would be appropriate for an LTCI program site.*

Existing law requires that a pilot project site establish a consolidated long-term care services fund, that the administrative action plan for



each pilot project site identify the funds to be transferred into the consolidated long-term care services fund, and that the funds include Medi-Cal long-term institutional care, Medi-Cal Personal Care Services Program, and the In-Home Supportive Services program funds, and provides that the funds may include funds from other specified programs. Existing law requires the department to give site selection preference to project sites that include funds from the largest number of programs, as specified.

The bill would, instead, require LTCI program sites that serve all eligible beneficiaries in a defined service area and pool funds to establish a consolidated long-term care services fund, as specified, *and* would establish requirements for the administration of the fund, ~~and would establish the sources of the moneys in the fund.~~

Existing law establishes selection criteria for pilot program sites.

This bill would revise the criteria, establish selection preference criteria, and relate them instead to the LTCI program.

Existing law requires that specified services be provided by pilot program sites.

This bill would apply those requirements, instead, to LTCI program sites, would delete certain specified services, and would require that LTCI program sites provide services for the ~~coordination or integration of a full continuum of medical, social, and supportive services for individuals with chronic long-term care needs to all enrolled beneficiaries.~~ *The bill would also require that the administrative action plan include the manner in which the Medicare benefit will be integrated or coordinated.*

Existing law requires the department to apply for a federal waiver involving Medicare funds, if primary, ancillary, and acute care are not included among the services offered by a pilot project site.

This bill would repeal this provision.

Existing law establishes maintenance of effort requirements applicable to participating counties for each of the programs integrated within the pilot program.

This bill would ~~repeal those provisions~~ *apply that provision only to participating counties that choose mandatory enrollment for each of the LTCI programs.*

Existing law requires the long-term services agency to be responsible and at risk for implementing the administrative action plan, and requires the long-term services agency to perform specified administrative functions.



This bill would revise these requirements and would apply these requirements, instead, to an LTCI program site.

Existing law defines eligible beneficiaries for purposes of the program.

This bill would revise that definition and would authorize LTCI program sites to limit enrollment to specific populations of individuals who have chronic long-term care needs.

Existing law requires that services be provided by pilot project sites to all eligible beneficiaries who live in the geographic area served, and to non-Medi-Cal eligible individuals, as specified.

This bill would delete those provisions and require that if an LTCI program elects to enroll individuals on a voluntary basis, the program must serve all individuals who enroll in the program and who meet the description of the target population outlined in the administrative action plan.

Existing law requires the department to set a capitated rate of payment that is based on the number of beneficiaries who are eligible for Medi-Cal benefits to be enrolled in the pilot project, the mix of provided services and programs being integrated, and past Medi-Cal expenditures for services.

This bill would instead apply this requirement to LTCI programs, and would establish certain requirements regarding the development of LTCI rates.

Existing law makes provision for the transfer of funds separately from the capitation payment if the department determines that a program or programs cannot reasonably be capitated.

This bill would repeal that provision.

This bill would also require the department to establish up to 3 pilot projects in counties that elect to participate, as provided.

This bill would make various conforming, technical, and nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The heading of Article 4.3 (commencing with
- 2 Section 14139.05) of Chapter 7 of Part 3 of Division 9 of the
- 3 Welfare and Institutions Code is amended to read:
- 4



Article 4.3. Long-Term Care Integration Program

SEC. 2. Section 14139.05 of the Welfare and Institutions Code is amended to read:

14139.05. The Legislature finds and declares that:

(a) Long-term care services in California include an uncoordinated array of categorical programs offering medical, social, and other support services that are funded and administered by a variety of federal, state, and local agencies and are replete with gaps, duplication, and little or no emphasis on the specific concerns of individual consumers.

(b) Although the need for a coordinated continuum of long-term care services has long been apparent, numerous obstacles prevent its development, including inflexible and inconsistent funding sources, economic incentives that encourage the placement of consumers in the highest levels of care, lack of coordination between aging, health, and social service agencies at both state and local levels, and inflexible state and federal regulations.

(c) It is both efficient and humane to restructure long-term care services so that duplicative and confusing eligibility criteria, assessments, intake forms, and service limitations will not inhibit consumer satisfaction, impede improvements in consumer health status, and result in the ineffective use of resources.

(d) There is a growing interest in community-directed systems of funding and organizing the broad array of health, support, and community living services needed by persons of all ages with disabilities.

(e) It is in the interest of those in need of long-term care services, and the state as a whole, to develop a long-term care system that provides dignity and maximum independence for the consumer, creates home-based and community-based alternatives to unnecessary out-of-home placement, and is cost effective.

SEC. 3. Section 14139.1 of the Welfare and Institutions Code is amended to read:

14139.1. (a) The Legislature hereby establishes a Long-Term Care Integration (LTCI) program that will integrate the financing and administration of medical, social, and supportive services for individuals with chronic long-term care needs.

(b) It is the intent of the Legislature to support, in each LTCI program site, the development of a model integrated service delivery system that meets the needs of all beneficiaries, both those who live in their own homes and those who are in out-of-home placements, in a humane, appropriate, and cost effective manner.

SEC. 4. Section 14139.11 of the Welfare and Institutions Code is amended to read:

14139.11. The goals of the LTCI program shall be to do all of the following:

(a) Provide a continuum of medical, social, and supportive services for individuals with chronic long-term care needs that will foster independence and self-reliance, maintain individual dignity, and allow consumers of long-term care services to remain an integral part of their family and community lives.

(b) If out-of-home placement is necessary, to ensure that it is at the appropriate level of care, and to prevent unnecessary utilization of acute care hospitals.

(c) If family caregivers are involved in the long-term care of an individual, to support caregiving arrangements that maximize the family's ongoing relationship with, and care for, that individual.

(d) Deliver long-term care services in the least restrictive environment appropriate for the consumer.

(e) Encourage as much self direction as possible by consumers, given their capability and interest, and involve them and their family members as partners in the development and implementation of each LTCI program site.

(f) Identify performance outcomes that will be used to evaluate the appropriateness and quality of the services provided, as well as the efficacy and cost effectiveness of each LTCI program site, including, but not limited to, the use of acute and out-of-home care, consumer satisfaction, the health status of consumers, and the degree of independent living maintained among those served.

(g) Achieve greater efficiencies through consolidated screening and reporting requirements.

(h) Allow each LTCI program site to use existing funding sources in a manner that will meet local need and that is cost effective.

(i) Allow each LTCI program site to determine other services that may be necessary to meet the needs of eligible beneficiaries.

(j) Coordinate the delivery of medical services, preferably through the integration of Medicare and Medi-Cal funding streams.

SEC. 5. Section 14139.12 of the Welfare and Institutions Code is amended to read:

14139.12. It is the intent of the Legislature that the costs of the LTCI program to the Medi-Cal program will not exceed the costs that existing programs would expect to incur had the integrated services not been provided through the LTCI program.

SEC. 6. Section 14139.13 of the Welfare and Institutions Code is amended to read:

14139.13. (a) Any contract entered into pursuant to this article may be renewed if the ~~LCH~~ LTCI program site continues to meet the requirements of this article and the contract. Failure by the LTCI program site to meet these requirements shall be cause for nonrenewal of the contract. *The department has the authority to terminate any LTCI project that does not continue to meet the contractual, enrollment, and program evaluation criteria established by the department.* The department may condition renewal of the contract on timely completion of a mutually agreed upon plan of corrections of any deficiencies.

(b) The department may terminate or decline to renew a contract, in whole or in part, when the director determines that the action is necessary to protect the health of the beneficiaries or the funds appropriated to the Medi-Cal program. The administrative hearing requirements of Section 14123 do not apply to the nonrenewal or termination of a contract under this article.

(c) In order to achieve maximum cost savings, the Legislature hereby determines that an expedited contract process for contracts under this article is necessary. Therefore, contracts under this article shall be exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code.

(d) The Director of the Department of Managed Health Care shall, at the director's request, immediately grant an exemption from Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code for purposes of carrying out any contract entered into pursuant to this article.

SEC. 7. Section 14139.2 of the Welfare and Institutions Code is amended to read:

1 14139.2. The department shall serve as the lead agency for the
2 administration of this article. The department's responsibilities
3 shall include, but are not limited to, all of the following:

4 (a) Development of criteria for the selection of LTCI program
5 sites.

6 (b) Selection of the LTCI program sites to participate in the
7 LTCI program.

8 (c) Providing, or arranging for, technical assistance to
9 participating LTCI program sites.

10 (d) Development of specific performance outcome measures
11 by which the LTCI program can be evaluated.

12 (e) Development of standards for complying with reporting
13 requirements specified in state law for the programs implemented
14 pursuant to this article. The standards developed pursuant to this
15 subdivision shall apply in lieu of any existing reporting obligations
16 for the programs. The existing individual reporting requirements
17 for programs implemented pursuant to this article shall be deemed
18 to have been met through the reports required by this section.
19 Existing requirements for reports to the Office of Statewide Health
20 Planning and Development shall not be eliminated.

21 ~~(f) Seeking all federal waivers necessary for full~~
22 ~~implementation of the LTCI program.~~

23 ~~(g)–~~

24 (f) Setting a payment rate consistent with Section 14139.5.

25 ~~(h)–~~

26 (g) Approval or disapproval of administrative action plans
27 described in Section 14139.3.

28 SEC. 8. Section 14139.21 of the Welfare and Institutions
29 Code is amended to read:

30 14139.21. The department may accept funding from federal
31 agencies, foundations, or other nongovernmental sources, and
32 may contract with qualified consultants to assist with the provision
33 of technical assistance, the development of data collection,
34 reporting, and analysis systems, or any other purposes that further
35 the goals of the LTCI program. The department shall not accept
36 funds from any entity that stands to gain financially from
37 implementation of the LTCI program. In contracting with
38 consultants to assist with the LTCI program, the department shall
39 specify timelines and delivery dates so as to ensure the continued
40 implementation of the LTCI program.

SEC. 9. Section 14139.22 of the Welfare and Institutions Code is ~~repealed~~; *amended to read:*

14139.22. (a) The department shall convene a working group that shall include the Director of Health Services, the Director of Social Services, and the Director of Aging, or the program staff from each of those departments who have direct responsibility for the programs listed in subdivision (b) of Section 14139.32 (c) of Section 14139.37, and may include the Director of Mental Health and the Director of Rehabilitation, or program staff from those departments with direct responsibilities for programs that may be included as a service in any ~~pilot project LTCI program site, and representatives from each pilot project site upon its selection.~~

(b) The department shall consult with the working group during the designing of the ~~pilot LTCI program~~, in the selection of the ~~pilot project LTCI program sites~~, and in the monitoring of the program under this article, and shall utilize the working group as a resource for problem-solving and a means of maintaining interdepartmental and intersite communication.

(c) The working group shall strive to ensure that the ~~pilot LTCI program—under established pursuant to this article makes maximum~~ maximizes the use of home-based and community-based services, and throughout the continuum of care for each beneficiary, encourages the use of the least restrictive environment in which the beneficiary can receive appropriate care.

SEC. 10. Section 14139.23 of the Welfare and Institutions Code is repealed.

SEC. 11. Section 14139.24 of the Welfare and Institutions Code is amended to read:

14139.24. The department shall seek all federal *medicaid* waivers necessary to allow for federal financial participation in the LTCI program implemented pursuant to this article.

SEC. 12. Section 14139.25 of the Welfare and Institutions Code is amended to read:

14139.25. Notwithstanding any other provision of this article, net costs to the Medi-Cal program shall not exceed the amount that would have been expended in the absence of the LTCI program.

SEC. 13. Section 14139.3 of the Welfare and Institutions Code is amended to read:

1 14139.3. (a) ~~LTCI program sites may be public agencies or~~
2 ~~private entities.~~

3 ~~(b)~~ Each selected LTCI program site shall develop and provide
4 to the department an administrative action plan that shall include,
5 but is not limited to, all of the following:

6 (1) A complete description of the covered scope of services and
7 programs to be implemented.

8 (2) A complete description of the service delivery system and
9 how it will improve system efficiency and enhance service quality
10 for individuals with chronic long-term care needs. The service
11 delivery system shall include a description of home-based and
12 community-based services that encourage the use of the least
13 restrictive environment in which beneficiaries can receive
14 appropriate care.

15 (3) Demonstration of a willingness and commitment by the
16 LTCI program site to work with local community groups,
17 providers, and consumers to obtain their input.

18 (4) Proposed measurable performance outcomes that the LTCI
19 program site is designed to achieve.

20 (5) A description of the expected impact on current program
21 services to Medi-Cal eligible beneficiaries included in the LTCI
22 program at that site.

23 (6) Assurance of minimal disruption to individual clients with
24 chronic long-term care needs during the phase-in of the LTCI
25 program at that site.

26 (7) Reasonable assurance that services provided will be
27 responsive to the religious, cultural, and language needs of
28 beneficiaries.

29 (8) Assurances that providers who serve the needs of special
30 populations, such as religious and cultural groups or residents of
31 multilevel facilities as defined in paragraph (9) of subdivision (d)
32 of Section 15432 of the Government Code and community care
33 retirement communities as defined in paragraph (11) of
34 subdivision (c) of Section 1771 of the Health and Safety Code, will
35 be able to continue to serve those persons when willing to contract
36 under the same terms and conditions as similar providers.

37 (9) Specific alternative concepts, requirements, staffing
38 patterns, or methods for providing services under the LTCI
39 program at that site.

1 (10) A process to assure that Medi-Cal dollars are
2 appropriately expended in accordance with state and federal
3 requirements that pertain to the LTCI program.

4 (11) A description of how the LTCI program site will maintain
5 adequate fiscal control and ensure quality of care for beneficiaries.

6 (12) A description of how the LTCI program site will
7 coordinate, relate to, or integrate with existing Medi-Cal managed
8 care plans, local managed care plans, and other organizations that
9 provide services that are not part of the LTCI program.

10 (13) A proposed timeline for planning and startup of the LTCI
11 program site.

12 (14) Demonstration of the financial viability of the plan.

13 (15) A description of the method and timeline used to include
14 covered services through Medicare capitation.

15 ~~(e)–~~

16 ~~(b) The administrative action plan shall describe how and when~~
17 ~~the LTCI program will cover dual eligibles and intergrate~~
18 ~~Medicare funding into the program. If necessary, the department~~
19 ~~shall, in consultation with other programs, apply to the federal~~
20 ~~Centers for Medicare and Medicaid Services for a waiver that~~
21 ~~allows the LTCI program site to include Medicare funds.~~

22 ~~(d) If an LTCI program site is operated, or is to be operated, by~~
23 ~~a public agency, the administrative action plan shall receive the~~
24 ~~approval of the county board of supervisors before it is submitted~~
25 ~~to the department for final state approval. The board of supervisors~~
26 ~~shall present evidence of the commitment to the administrative~~
27 ~~action plan of all publicly funded agencies that currently serve~~
28 ~~consumers who will be eligible under the LTCI program and all~~
29 ~~publicly funded agencies that will be responsible for providing~~
30 ~~services under the LTCI program. This evidence may include~~
31 ~~resolutions adopted by agency governing bodies, memoranda of~~
32 ~~understanding, or other agreements pertinent to the~~
33 ~~implementation of the plan.~~

34 ~~(e) If an LTCI program site operated, or to be operated, by a~~
35 ~~private entity wishes to locate in a county that has an active LTCI~~
36 ~~planning or development grant subject to Section 14145.1~~
37 ~~authorizing grants, the private agency shall receive the approval of~~
38 ~~the county board of supervisors prior to submitting its application~~
39 ~~to the department for final state approval.~~

~~(f) If an LTCI program operated, or to be operated, by a private entity wishes to locate in a county that has, prior to January 1, 2004, submitted a written proposal to the department for a waiver application specifically for that county, the private agency shall receive the approval of the county board of supervisors prior to submitting its application to the department for final state approval. shall seek or support an application for a Medicare waiver to allow an LTCI program site to include Medicare funds, if the department determines that the application meets department requirements.~~

SEC. 14. Section 14139.30 is added to the Welfare and Institutions Code, to read:

14139.30. (a) LTCI programs shall be public agencies or public entities.

(b) The administrative action plan shall receive the approval of the county board of supervisors before it is submitted to the department for final state approval.

SEC. 15. Section 14139.31 of the Welfare and Institutions Code is amended to read:

14139.31. ~~(a)~~ In order to be selected, an LTCI program site shall demonstrate that it will have, prior to program implementation, an active advisory committee that includes consumers of long-term care services, representatives of local organizations of persons with disabilities, seniors, representatives of local senior organizations, representatives of employees who deliver direct long-term care services, and representatives of organizations that provide long-term care services. At least one-half of the members of the advisory committee must be consumers of services provided under this article, or their representatives.

~~(b) The department shall give selection preference to LTCI program sites that include primary, ancillary, and acute care, provided that their administrative action plan meets the requirements specified in Section 14139.33.~~

SEC. 15.—

SEC. 16. Section 14139.32 of the Welfare and Institutions Code is repealed.

SEC. 16.—

SEC. 17. Section 14139.32 is added to the Welfare and Institutions Code, to read:

14139.32. LTCI program sites may choose to do either of the following:

(a) Voluntarily enroll eligible beneficiaries in a defined service area and accept capitation based on a ~~per-patient-per-day~~ *per-member-per-month* rate.

(b) Serve all eligible beneficiaries in a defined service area and *accept capitation based on a per-member-per-month rate, and* may pool funds as described in ~~Section 14139.37.~~

~~SEC. 17.—~~ *subdivision (c).*

(c) In addition to funds received as capitation payments for providing the full continuum of Medi-Cal services, a consolidated long-term care services fund may include funds from other programs or services that would be appropriate for an LTCI program site.

SEC. 18. Section 14139.33 of the Welfare and Institutions Code is amended to read:

14139.33. (a) The administrative action plan shall delineate the services to be provided to all eligible beneficiaries. At a minimum, services to be provided by each LTCI program site shall include all of the following:

~~(a)–~~

(1) Care or case management, including assessment, development of a service plan in conjunction with the consumer and other appropriate parties, authorization and arrangement for purchase of services or linkages with other appropriate entities, service coordination activities, and followup to determine whether the services received were appropriate and consistent with the service plan. Service coordination activities shall ensure that the records of each beneficiary are maintained in a consistent and complete manner and are accessible to the beneficiary or his or her family and to providers involved in his or her care. This shall be the case whether a beneficiary resides in his or her own home or in a licensed facility.

~~(b)–~~

(2) Education of beneficiaries, their families, and others in their informal support network, including independent living skills training to maximize the independence of the beneficiary.

~~(c)–~~

1 ~~(3) Coordination or integration of a full continuum of medical,~~
2 ~~social, and supportive services for individuals with chronic~~
3 ~~long-term care needs.~~

4 ~~SEC. 18.—~~ *The full continuum of medical, social, and*
5 *supportive services to all enrolled beneficiaries.*

6 ~~(b) Recognizing the fact that some LTCI models may rely on~~
7 ~~voluntary Medicare enrollment, the administrative action plan~~
8 ~~shall include the manner in which the Medicare benefit will be~~
9 ~~integrated or coordinated.~~

10 ~~SEC. 19.~~ Section 14139.34 of the Welfare and Institutions
11 Code is amended to read:

12 14139.34. The administrative action plan may also include
13 any of the following services:

14 (a) Transportation.

15 (b) Home modification.

16 (c) Housing and residential services.

17 (d) Other services determined by the LTCI program site to be
18 necessary to meet the needs of eligible beneficiaries.

19 ~~SEC. 19.—~~

20 ~~SEC. 20.~~ Section 14139.35 of the Welfare and Institutions
21 Code is repealed.

22 ~~SEC. 20.—~~

23 ~~SEC. 21.~~ Section 14139.36 of the Welfare and Institutions
24 Code is repealed.

25 ~~SEC. 21.—~~

26 ~~SEC. 22.~~ Section 14139.37 of the Welfare and Institutions
27 Code is repealed.

28 ~~SEC. 22.—~~

29 ~~SEC. 23.~~ Section 14139.37 is added to the Welfare and
30 Institutions Code, to read:

31 14139.37. (a) LTCI program sites that serve all eligible
32 beneficiaries in a defined service area and pool funds *pursuant to*
33 *subdivision (b) of Section 14139.32* shall establish a consolidated
34 long-term care services fund that shall accommodate state and
35 federal fiscal and auditing requirements, shall be used solely for
36 the purposes described in this article, and shall not be used for any
37 county pooled investment fund. The administrative action plan
38 shall identify the funds to be transferred into a consolidated
39 long-term care services fund and shall delineate specifically how
40 the pooled funds will be used to deliver services to all eligible

recipients in the geographic area covered by the LTCI program site.

(b) ~~Public agencies that operate~~ LTCI program sites may identify a local entity that may be either a governmental entity, *a public agency, a public entity*, or a not-for-profit agency to administer the fund. The local entity may be one that already exists, or may be established for the express purpose of administering the fund. A public agency operating an LTCI program shall be designated as an LTCI program site and shall contract with the department to carry out this article.

~~(c) The funds may include funds from any of the following:~~

~~(1) Medi-Cal funding for nursing facility reimbursement for long-term institutional care.~~

~~(2) Medi-Cal Personal Care Services Program.~~

~~(3) In-Home Supportive Services program.~~

~~(4) Multipurpose Seniors Services Program.~~

~~(5) Alzheimer's Day Care Resources Centers Program.~~

~~(6) Linkages Program.~~

~~(7) Respite Program.~~

~~(8) Adult Day Health Care Program.~~

~~(9) Medi-Cal home health agency services.~~

~~(10) Medi-Cal home-based and community-based waiver programs.~~

~~(11) Medi-Cal hospice services.~~

~~(12) Medi-Cal acute care hospital services.~~

~~(13) Other Medi-Cal services, including, but not limited to, primary, ancillary, and acute care.~~

~~SEC. 23. Section 14139.38 of the Welfare and Institutions Code is repealed.~~

~~SEC. 24.—~~

~~SEC. 24. Section 14139.38 of the Welfare and Institutions Code is amended to read:~~

14139.38. Participating counties *that choose mandatory enrollment* shall continue their financial maintenance of effort for each of the LTCI programs integrated within the ~~pilot~~ LTCI program under this article. The amount of a county's maintenance of effort shall be the same as if the program were not integrated within the ~~pilot~~ LTCI program pursuant to this article, and funds equal to this amount shall be deposited in the local consolidated long-term care services fund.

1 SEC. 25. Section 14139.4 of the Welfare and Institutions
2 Code is amended to read:

3 14139.4. (a) The LTCI program site shall be responsible and
4 at risk for implementing the administrative action plan. The LTCI
5 program site shall do all of the following:

6 (1) Respond, or provide for response to, consumer needs on a
7 24-hour, seven-day-a-week basis.

8 (2) Conduct comprehensive assessments.

9 ~~(3) Determine eligibility for long-term care services based on~~

10 (3) *Determine beneficiary eligibility for LTCI enrollment and*
11 *services based on the assessment information.*

12 (4) Provide for contractual arrangements for the provision of,
13 and payment for, sufficient services to meet the needs, including
14 the long-term care needs, of the eligible beneficiary in his or her
15 home, community, residential facility, nursing facility, or other
16 location.

17 (5) Provide for coordination of care across all levels of care.

18 (6) Maintain control over utilization of services that are
19 authorized.

20 (7) Monitor the quality of care provided to consumers.

21 (8) Maintain a consumer grievance process.

22 (9) Manage the overall cost-effectiveness of the LTCI program
23 site for its duration.

24 (b) Services may be provided through contracts with
25 community-based providers. In instances in which a specific
26 service does not exist in the community, the LTCI program site
27 may facilitate the development of local programs that provide
28 these services, or it may provide the services directly if doing so
29 can be demonstrated to be cost effective.

30 SEC. 25.—

31 SEC. 26. Section 14139.41 of the Welfare and Institutions
32 Code is amended to read:

33 14139.41. (a) For purposes of this article, “eligible
34 beneficiaries” shall be defined as persons meeting both of the
35 following criteria:

36 (1) Are Medi-Cal eligible and aged, blind, ~~and disabled or~~
37 *disabled, or, at the sole discretion of the department, a subset of*
38 *this group.*

39 (2) Are adults.

(b) LTCI program sites may limit enrollment to specific populations of individuals who have chronic long-term care needs. The administrative action plan shall describe the target population to be served.

~~SEC. 26.—~~

~~SEC. 27.~~ Section 14139.42 of the Welfare and Institutions Code is repealed.

~~SEC. 27.—~~

~~SEC. 28.~~ Section 14139.42 is added to the Welfare and Institutions Code, to read:

14139.42. (a) If an LTCI program site elects to enroll individuals on a voluntary basis, the program must serve all individuals who enroll in the program who meet the description of the target population outlined in the administrative action plan.

(b) LTCI program site marketing efforts shall be consistent with procedures determined by the department.

~~SEC. 28.—~~ *with departmental requirements.*

~~SEC. 29.~~ Section 14139.43 of the Welfare and Institutions Code is amended to read:

14139.43. This article shall not preclude an LTCI program site from entering into additional agreements, separate from the LTCI program, to serve additional individuals or populations.

~~SEC. 29.—~~

~~SEC. 30.~~ Section 14139.44 of the Welfare and Institutions Code is amended to read:

14139.44. LTCI program sites shall ensure provider reimbursement rates that are adequate to maintain compliance with applicable federal and state requirements.

~~SEC. 30.—~~

~~SEC. 31.~~ Section 14139.5 of the Welfare and Institutions Code is amended to read:

14139.5. (a) The department shall set a capitated rate of payment that is actuarially sound and that is based on the number of beneficiaries who are eligible for Medi-Cal benefits to be enrolled in the LTCI program, the mix of provided services and programs being implemented, and past Medi-Cal expenditures for services. The rate shall reflect, and the contract shall delineate, the rate at which the the LTCI program site shall assume risk and the mechanisms that shall be used, which may include, but are not

1 limited to, risk corridors, reinsurance, or alternative methods of
2 risk assumption.

3 (b) The rates for the LTCI program sites shall be developed
4 separately from, and in addition to, other Medi-Cal managed care
5 programs operated by counties, and shall be exclusive of, and
6 separate from, the contracting process conducted by the California
7 Medical Assistance Commission.

8 (c) Rates for the LTCI program may be developed in relation
9 to the health care cost experience of a defined geographic region.

10 ~~SEC. 31.—~~

11 ~~SEC. 32.~~ Section 14139.51 of the Welfare and Institutions
12 Code is repealed.

13 ~~SEC. 32.—~~

14 ~~SEC. 33.~~ Section 14139.53 of the Welfare and Institutions
15 Code is amended to read:

16 14139.53. (a) The department shall develop criteria to ensure
17 that LTCI program sites maintain fiscal solvency, including, but
18 not limited to, the following:

19 (1) The capability to achieve and maintain sufficient fiscal
20 tangible net equity within a timeframe to be specified by the
21 department for each LTCI program site.

22 (2) The capability to maintain prompt and timely provider
23 payments.

24 (3) A management information system that is approved by the
25 department and is capable of meeting the requirements of the LTCI
26 program.

27 (b) Any LTCI program site established under this article shall
28 immediately notify the department in writing of any fact or facts
29 that are likely to result in the LTCI program site being unable to
30 meet its financial obligations. The written notice shall describe the
31 fact or facts, the anticipated financial consequences, and the
32 actions that will be taken to address the anticipated consequences,
33 and shall be made available upon request unless otherwise
34 prohibited by law.

35 ~~SEC. 33.—~~

36 ~~SEC. 34.~~ Section 14139.6 of the Welfare and Institutions
37 Code is amended to read:

38 14139.6. ~~Nothing in this chapter shall prohibit the department~~
39 ~~from establishing—~~*The department may establish* a two-stage



1 selection process in which LTCI program sites may be selected on
2 a preliminary basis. ~~Final~~

3 (a) *Final* selection of LTCI program sites shall be based on the
4 completion of an administrative action plan that the department
5 determines satisfactorily meets the selection criteria.

6 ~~SEC. 34.~~—

7 (b) *LTCI program sites may, upon approval by the department,*
8 *be allowed to include in the administrative action plan a phase in*
9 *plan for specified funding sources, populations, and services, that*
10 *shall be provided to eligible beneficiaries.*

11 SEC. 35. Section 14139.62 of the Welfare and Institutions
12 Code is amended to read:

13 14139.62. Contingent on the availability of funding, the
14 department shall evaluate the effectiveness of each LTCI program
15 site on a schedule that coincides with federal waiver reporting
16 requirements, and shall make this information available upon
17 request. The department's evaluation shall include, but not be
18 limited to, all of the following:

19 (a) Whether or not the LTCI program site has reduced the
20 fragmentation of, and improved the coordination of, the long-term
21 care delivery system in the LTCI program site area.

22 (b) Whether or not the long-term care delivery system is more
23 efficient and makes better use of available resources.

24 (c) Whether or not the goals identified in Section 14139.11
25 have been met.

26 SEC. 36. *Article 4.31 (commencing with Section 14139.80) is*
27 *added to Chapter 7 of Part 3 of Division 9 of the Welfare and*
28 *Institutions Code, to read:*

29
30 *Article 4.31. Private Entity Pilot Projects*
31

32 14139.80. *The department shall establish up to three pilot*
33 *projects in counties that elect to participate, that permit private*
34 *entities to implement an LTCI pilot project consistent with the*
35 *requirements of Article 4.3 (commencing with Section 14139.05).*
36 *One of those pilot projects shall be in San Diego County, provided*
37 *that that county elects to participate.*